

State of South Carolina
Before the
South Carolina Public Service Commission

RE: Application of Aqua South)	
Carolina for Approval of a New)	
Schedule of Rates and Charges)	Docket No. 2009-12-S
for Sewerage Services Provided)	
to Customers in Spartanburg)	
County)	

Direct Testimony

of

Thomas J. Roberts

On Behalf of

Aqua South Carolina

April 2, 2009

1 **BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

2 **AQUA SOUTH CAROLINA, INC.**

3 **DIRECT TESTIMONY OF THOMAS J. ROBERTS**

4 **DOCKET NO. 2009-12-S**

5 **APRIL 2, 2009**

6 **Q. Please state your name and business address.**

7 A. My name is Thomas J. Roberts. My business address is 202 MacKenan Court,
8 Cary, NC, 27511.

9 **Q. How are you affiliated with Aqua South Carolina?**

10 A. I am the President and Chief Operating Officer of Aqua South Carolina Inc.
11 (“Aqua”)

12 **Q. Please describe your duties and responsibilities in that position.**

13 A. As President of Aqua, I am responsible for the overall direction and
14 administration of the company. Other responsibilities include the efficient
15 operation of the system to ensure quality customer and community service.

16 **Q. Please describe your educational background and professional experience.**

17 A. I have been employed by Aqua America (formerly Philadelphia Suburban Corp.)
18 since 1981, at which time I joined the company as an Engineering Aide. I held
19 progressively responsible positions in the Engineering, Distribution and Network
20 (Maintenance and Construction) departments for almost 26 years prior to being
21 named President and Chief Operating Officer of Aqua in May 2007.

22 I have an Associates Degree in Applied Sciences in Civil Engineering
23 Technology from Delaware Technical and Community College in Newark,

1 Delaware and a Bachelor of Science Degree in Business Administration from the
2 University of Phoenix. I am an active member of the American Waterworks
3 Association and of the Water Works Operators of Pennsylvania, and I hold a
4 Class E, Type 1 Waterworks Operators Certificate from the Commonwealth of
5 Pennsylvania.

6 **Q. What is the purpose of your testimony?**

7 A. The purpose of my testimony is to provide an overview of how Aqua South
8 Carolina operates and manages its wastewater collection system on a day-to-day
9 basis, to provide support for the need for rate relief, and to demonstrate that Aqua
10 provides a quality product and service to our customers.

11 **Q. Please describe Aqua's current rate filing in this case.**

12 A. Through this filing, Aqua is seeking rates to produce annual wastewater revenue
13 of \$209,206 for the pro-forma historical test year ending June 30, 2008 in order to
14 provide a reasonable return for the company.

15 **Q. What are the principal causes of Aqua's rate filing?**

16 A. I wish to emphasize that one of the primary drivers of Aqua's need for rate relief
17 arises from fact that customer rates have not changed since February 29, 1996
18 while the cost of wastewater treatment has increased steadily since Aqua acquired
19 this system in 2003. Also, there have been increased costs for labor on an hourly
20 basis. This is attributable to the normal wage inflation.

21 **Q. Please provide a general overview of the manner in which Aqua provides for**
22 **the operations and maintenance of its facilities?**

1 A. Aqua owns and operates the sewer collection system for approximately 408
2 customers in the Brookside Village Subdivision which is located in Spartanburg
3 County. Aqua manages maintenance operations out of the regional office in
4 Denver, North Carolina and utilizes local plumbing and sewage contractors for
5 maintenance and emergency services. The treatment of the wastewater is provided
6 by Spartanburg Sanitary Sewer District ("SSSD"). The billing and collection from
7 customers is provided by the Startex-Jackson-Wellford-Duncan Water District
8 ("SJWD") which provides water service for the customers.

9 **Q. Does Aqua operate its facilities in conformance with its permit from the**
10 **South Carolina Department of Health and Environmental Control (DHEC)?**

11 A. Yes, we do. As the letter attached to the Application in Exhibit G reflects, the
12 Company holds all necessary permits to operate the facilities. The Company is
13 committed to operating in an environmentally responsible manner.

14 **Q. Are you familiar with certain O&M expenses that the Company is seeking to**
15 **recover in this case?**

16 A. Yes, I am.

17 **Q. Would you generally describe the adjustment to the treatment expenses from**
18 **Spartanburg Sanitary Sewer District the pro forma test year?**

19 A. Yes. We have made an adjustment to recognize the increase in treatment costs
20 from \$.3610 per 100 gallons treated to \$.3957 per 100 gallons treated. In the past
21 few years SSSD has increased their treatment costs on an annual basis. Treatment
22 costs represent the majority of our operating expense.

23 **Q. Does this conclude your direct testimony?**

1 A. Yes, it does.